

HOUSE BILL 596  
By Head

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 39,  
Part 3, relative to gas acquisition corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-39-312, is amended by adding the  
following new subdivision (4):

(4) A gas acquisition corporation incorporated and operating under the  
provisions of subdivision (2) of this section may be joined by any one (1) or more  
municipalities, Tennessee utility districts, and Tennessee gas authorities, each of which  
shall be deemed to be an “associated municipality” for purposes of this chapter, and all  
provisions of this chapter shall, as nearly as may be practicable, be made applicable to  
such corporation and each such associated municipality, subject to the requirements of  
Sections 7-39-312(2) and 7-39-312(3) and subject to the following:

(1) Each municipality, utility district, and gas authority seeking to become  
an “associated municipality” of such gas acquisition corporation must make  
application in writing to the board of directors of such corporation to become an  
“associated municipality”, following approval of such application by the governing  
body of each such municipality or the board of directors of each such utility  
district or gas authority, as the case may be; and

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(2) The board of directors of such corporation must approve the application of such municipality, utility district, or gas authority, to become an “associated municipality” of such corporation.

SECTION 2. Tennessee Code Annotated, Section 7-39-312(3)(B), is amended by deleting the words “including a contract”.

SECTION 3. Tennessee Code Annotated, Section 7-39-312(3), is amended by adding a new paragraph (D) as follows:

(D) Such corporation may enter into contracts or agreements, including but not limited to contracts or agreements relating to the issuance of bonds for the benefit of all of its associated municipalities or for any one (1) or more but less than all of its associated municipalities.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

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